

SUMMARY ANALYSIS OF AMENDED BILL

Author: Steinberg, Garrick, et al. Analyst: Jennifer Bettencourt Bill Number: SB 1502

Related Bills: See prior Analysis Telephone: 845-5163 Amended Date: May 23, 2008

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: ALS/Lou Gehrig's Disease Research Fund

☒ DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as amended April 17, 2008.

☐ AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

☐ AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as introduced/amended _____.

☐ FURTHER AMENDMENTS NECESSARY.

☐ DEPARTMENT POSITION CHANGED TO _____.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED April 17, 2008, STILL APPLIES.

☒ OTHER – See comments below.

SUMMARY

This bill would add the Amyotrophic Lateral Sclerosis (ALS)/Lou Gehrig's Disease Research Fund (Fund) to the personal income tax (PIT) return as a voluntary contribution fund.

SUMMARY OF AMENDMENTS

The May 23, 2008, amendments removed the legislative findings regarding ALS, added specific requirements for Franchise Tax Board (FTB), and added several co-authors.

As a result of these amendments, the "Technical Consideration" as stated in the department's analysis of this bill as amended April 17, 2008 is resolved. Other than the "This Bill" discussion, the remainder of the department's analysis of the bill as amended April 17, 2008, still applies.

Board Position:

☐ S ☐ NA ☐ NP
☐ SA ☐ O ☐ NAR
☐ N ☐ OUA ☒ PENDING

Asst. Legislative Director

Date

Patrice Gau-Johnson

6/9/08

ANALYSIS

THIS BILL

This bill would establish the ALS/Lou Gehrig's Disease Research Fund (Fund), and add it to the PIT return as a voluntary contribution fund. Taxpayers would be able to designate their own funds, not tax liability, for contribution to the Fund on their PIT returns in full dollar amounts of \$1 or more. Each signatory on a joint return may make the contributions individually. The designations for any taxable year must be made on the original return for the taxable year and, once made, are irrevocable. A deduction, subject to the itemized deduction rules applicable to individuals, would be allowed for a contribution made pursuant to this bill.

This bill would specify that if the taxpayer's payments and credits reported on the PIT return fail to exceed the tax liability, the designation on the return would be treated as if no designation has been made.

This bill would require FTB to revise the tax return to include a designation space for the Fund and states legislative intent to include the Fund beginning with the 2008 tax return.

Beginning with contributions made in 2010, this bill would require the Fund to meet a minimum contribution amount for each calendar year. The "minimum contribution amount for a calendar year" is defined as \$250,000 for contributions made for calendar year 2010 or an amount adjusted for inflation for contributions made in subsequent years. The law authorizing designations to this fund would be repealed if contributions made under this bill fail to meet the minimum contribution amount.

This bill would require FTB to do the following by September 1, 2009, and by September 1 of each subsequent calendar year that the Fund appears on the tax return:

- Determine the minimum contribution amount required to be received during the next calendar year for the fund to remain on the return.
- Notify the State Department of Public Health in writing of the minimum contribution amount required for the next calendar year.
- Determine if the amount of contributions estimated to be received during the current calendar year will equal or exceed the minimum contribution amount required for that calendar year.

Beginning with the 2011 calendar year, FTB would be required to adjust the minimum contribution amount as indexed for inflation by September 1 of each calendar year.

If the Fund first appeared on the 2008 PIT return, it would remain on the PIT return until January 1, 2013, in this case the 2012 PIT return, unless a later enacted statute deletes or extends that date, and provided that it meets the annual minimum contribution requirement.

This bill would require the State Controller to transfer money designated for the Fund by taxpayers from the PIT Fund to the Lou Gehrig's Disease Research Fund. Upon appropriation by the Legislature, the monies from this fund would be allocated as follows:

1. FTB and the Controller for reimbursement of costs incurred in administering the Fund.
2. The State Department of Public Health to provide grants to research the prevention, cure, screening, and treatment of ALS, and Department of Public Health for reimbursement of administration costs incurred for administering the grant program.

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